



AUDIT COMMITTEE

MINUTES of the OPEN section meeting of the AUDIT COMMITTEE held on THURSDAY SEPTEMBER 20 2007 at 7.00PM at the Town Hall, Peckham Road, London SE5 8UB.

PRESENT: Councillor James Barber (Chair)
Councillors Richard Livingstone (Vice Chair), Peter John and James Gurling.

ALSO PRESENT: Jo Anson, Simon Hughes, Duncan Whitfield, Michael Pinder, Dennis Callaghan, Andrew Weir and Colin Burns.

EXTERNAL INVITEES Simon Sharp (PricewaterhouseCoopers), Ellen Shepherd (PwC), Divya Sood (PwC), Geoffrey Banister (Audit Commission) and Kash Pandya (Audit Commission)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Lewis Robinson

2. CONFIRMATION OF VOTING MEMBERS

The members listed as present were confirmed as the voting members.

3. NOTIFICATION OF ANY OTHER ITEMS WHICH THE CHAIR DEEMS AS URGENT

There were no notifications of any other items.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Richard Livingstone declared a personal and non-prejudicial interest in item 6 as he was a director of the Leathermarket Tenant Management Organisation.

RECORDING OF MEMBERS' VOTES

Committee procedure rule 1.9 (4) allows a member to record her/his vote in respect of any motions and amendments. Such requests are detailed in the following minutes. Should a member's vote be recorded in respect to an amendment, a copy of the amendment may be found in the minute file and is available for public inspection.

The committee considered the items set out on the agenda, a copy of which has been incorporated in the minute file. Each of the following paragraphs relates to the item bearing the same number on the agenda.

5. MINUTES

RESOLVED: That the minutes of the meeting held on June 28 2007 be agreed as a correct record and signed by the chair.

6. ANNUAL INTERNAL AUDIT REPORT (see pages 4-57)

The committee heard an officer's presentation on the Annual Internal Audit Report. Representatives from PricewaterhouseCoopers also addressed the committee.

Members asked questions of the officers and PricewaterhouseCoopers regarding certain areas of the report including:

- IT issues
- Management of external grants and funding
- Tenant Management Organisations
- Reviews outstanding from 2005/06
- Management of leases
- Management responses to identified risks

It was agreed that Michael Pinder, head of audit and risk, would develop a format to monitor identified risks and management responses and that he would discuss this with the chair before bringing it to the next committee meeting.

RESOLVED: That the committee noted the Internal Audit Annual Report for 2006/2007

7. DRAFT 2007/08 INTERNAL AUDIT PLAN (see pages 58-66)

The committee heard an officer's presentation on the Draft 2007/08 Internal Audit Plan. The officer outlined the proposed audit programme for 2007/08.

Members asked officers questions on certain aspects of the report including:

- The number of proposed audit days to be spent on reviewing the monitoring procedures for the hospitality and gifts register
- The number of planned contingency days in relation to the regeneration audit.

Duncan Whitfield, finance director, thanked Simon Sharp and his team from PricewaterhouseCoopers for their work in relation to the council's internal audit services during 2006/07.

RESOLVED: That the committee noted the 2007/08 Internal Audit Plan.

8. DRAFT 2007/08 AUDIT AND INSPECTION PLAN – AUDIT COMMISSION (see pages 67-93)

Kash Pandya and Geoffrey Banister from the Audit Commission presented the Draft 2007/08 Audit and Inspection Plan – Audit Commission to the committee.

The committee were advised that the council would be subject to a corporate assessment starting in 2008 and as a result the audit and inspection fee would increase from the previous year.

Members then asked questions in relation to the following:

- The certification of claims and returns
- The increased audit and inspection fee
- The timetable for signing off the final accounts

The committee requested that the council aimed to report signed off final accounts a month earlier next year. Duncan Whitfield agreed that he would advise the committee at the next meeting on the progress of discussions on this matter.

RESOLVED: That the committee noted the Audit Commission's 2007/08 Audit and Inspection Plan

9. ANNUAL GOVERNANCE REPORT 2006/07 (see pages 94-125)

The committee received a report from the District Auditor.

The committee heard that the district auditor fully expected to give an unqualified audit opinion on September 28 2007 and also expected to share draft Use of Resources results by the end of October.

Members asked questions on certain aspects of the report including:

- The Audit Commission's audit opinion, subject to outstanding issues
- The Audit Commission's opinion of the council's annual report

RESOLVED: That the committee:

1. considered the matters raised in the Annual Governance Report for 2006/07 (Appendix A)
2. considered the representation letter on behalf of the council (Appendix 5 to the Annual Governance Report.)
3. noted that there were no unadjusted misstatements in the accounts and that the District Auditor expected to issue an unqualified audit opinion on 28 September 2007.
4. agreed that any further matters that arise in concluding the audit work be raised with the Finance Director and Chair of Audit Committee.

The meeting closed at 8.40pm.

CHAIR:

DATE: